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**From:**

**Sent:** April 20, 2010

**To:**

**Cc:**

**Subject: 501(c)(15)( )**

The attached determination letter was in Tax Notes yesterday. The letter contained the following language:

The Internal Revenue Service has not ruled on whether the more stringent "greater than half" test set forth in I.R.C. 816 applies to an insurance company other than a life insurance company. Instead, to determine whether a non-life insurance company qualifies as an insurance company for tax purposes, the "primary and predominant business activity" test set forth in Treas. Reg. 1.801-3(a)(1) applies. See Rev. Rul. 68-27, 1968-1 C.B. 315.

In fact, the 2004 Pension Funding Equity Act added section 831(c) to the Code to address exactly this point. Please disseminate this information as necessary.